

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2002-91-C - ORDER NO. 2002-358

MAY 7, 2002

IN RE: Application of Verizon Select Services, Inc.)	ORDER GRANTING
for Approval of Alternative Regulation of its)	MODIFIED
Interexchange Services.)	ALTERNATIVE
)	REGULATION

This matter comes before the Public Service Commission of South Carolina (the Commission) on the Application for approval of alternative regulation for the interexchange services of Verizon Select Services, Inc. ("VSSI" or the "Company"). VSSI provides resold interexchange telecommunications services to subscribers to and from all points in the State of South Carolina and requests that all of its business and consumer service offerings be regulated pursuant to the procedures described and set forth on Commission Orders No. 95-1734 and No. 96-55 in Docket No. 95-661-C. VSSI states in its Application that VSSI's intent is to have its services regulated in the same manner as this Commission has permitted for AT&T Communications of the Southern States, Inc. ("AT&T"). VSSI submits that, as a competitor of AT&T, VSSI should be subject to no greater regulatory constraints than AT&T.

By its Orders No. 95-1734 and No. 96-55 in Docket No. 95-661-C, the Commission approved a relaxation of regulatory requirements for certain services of AT&T. Specifically the Commission approved tariff filing procedures which removed the maximum rate, or cap, requirements for the business services offered under AT&T's

Private Line Services Tariff, Customer Network Services Tariff, and all Consumer Card and Operator Service offerings. Further, the Commission instituted presumed valid tariff filings for the above listed services, subject to the Commission instituting an investigation of the tariff filing within seven days, in which case the tariff filing would be suspended until further order of the Commission. Additionally, the Commission reserved the right to modify, eliminate, or continue the procedures set forth in the Orders.

Pursuant to the instructions of the Commission's Executive Director, a Notice of Filing was published in the Commission's subscription service. No Protests or Petitions to Intervene were received. Accordingly, we will proceed to rule on the matter.

VSSI requests that all of its business and consumer service offerings be regulated pursuant to the procedures described and set out in Orders No. 95-1734 and No. 96-55 in Docket No. 95-661-C. In those orders, as described above, the Commission approved the relaxation of certain regulatory requirements for certain services of AT&T. By its Orders, the Commission expressly declined to allow the relaxation of regulatory requirements for residential service, sometimes referred to as consumer services. Therefore, to the extent that VSSI's request seeks a relaxation of regulatory requirements for its residential services, the Commission denies VSSI's request.

VSSI also states that its intent by its application is to have VSSI's services regulated in the same manner as the Commission has permitted for AT&T. Alternative regulation of interexchange business services has been approved frequently by this Commission to promote competition in the telecommunications industry in South Carolina. The only modification of alternative regulation as set forth in Order Nos. 95-

1734 and 96-55 in Docket No. 95-661-C was the re-imposition of rate caps with regard to certain “operator-assisted calls” where a consumer uses a local exchange carrier’s calling card to complete calls from locations which have not selected that local exchange carrier as their toll provider. See Docket No. 2000-407-C, Order No. 2001-997, dated November 8, 2001, where the Commission imposed a maximum cap of \$1.75 for operator surcharges for such calls, and a maximum cap of \$0.35 related to the flat per-minute rate associated with these calls. The Commission finds that alternative regulation, as modified by Commission Order No. 2001-997 in Docket No. 2000-407-C, is an appropriate regulatory method for VSSI’s business service offerings, including consumer card service offerings, operator service offerings, customer network service offerings, and private line service offerings.

Accordingly, with the exception of approving VSSI’s request as it relates to consumer interexchange service offerings, i.e. residential services, as opposed to consumer card service offerings and with the exception of reinstating maximum rates for operator-assisted calls where a consumer uses a local exchange carrier’s calling card to complete calls from locations which have not selected that local exchange carrier as their toll provider (See Commission Order No. 2001-997 in Docket No. 2000-407-C), the Commission approves VSSI’s request for alternative regulation as stated by VSSI. The Commission is of the opinion that alternative regulation, as modified by Order No. 2001-997 and now known as “modified alternative regulation,” will continue to promote competition in the telecommunications industry in South Carolina.

IT IS THEREFORE ORDERED THAT:

1. Alternative regulation as set forth in Order Nos. 95-1734 and 96-55 in Docket No. 95-661-C and as modified by Commission Order No. 2001-997 in Docket No. 2000-407-C is hereby approved for use by VSSI.

2. Specifically, the alternative regulation as set forth in Order Nos. 95-1734 and 96-55 in Docket No. 95-661-C and as modified by Commission Order No. 2001-997 in Docket No. 2000-407-C, now known as “modified alternative regulation” allows:

(a) removal of the maximum rate, or cap, requirements for VSSI’s business service offerings, including consumer card service offerings, operator service offerings, customer network service offering, and private line service offerings. However, operator assisted calls where a consumer uses a local exchange carrier’s calling card to complete calls from locations which have not selected that local exchange carrier as the toll provider are subject to a maximum cap of \$1.75 for operator surcharges for such calls and a maximum cap of \$0.35 for the flat per-minute rate associated with those calls.

(b) presumed valid tariff filings for these uncapped services. However, if the Commission institutes an investigation of a particular filing within seven days, the tariff filing will be suspended until further order of the Commission; and

(c) any future relaxation or modification to reporting requirements under this alternative regulation for AT&T shall apply equally to VSSI and other providers equally situated.

3. This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:


Chairman

ATTEST:


Executive Director

(SEAL)